



DOR NewsRelease

Commonwealth of Massachusetts

Department of Revenue

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Most taxpayers in Massachusetts have health insurance

DOR numbers show 95 percent of adults filing health care information with tax returns have coverage; majority of filers complying with health reform filing requirements

Figures released today by the Massachusetts Department of Revenue show that an overwhelming majority of adult tax filers are covered by health insurance.

A DOR analysis concludes that 95 percent of 3.34 million adults filing health insurance information with their tax returns for tax year 2007 have health coverage, reinforcing demonstrated progress toward the goal of enrolling all state residents in health insurance.

Under the health care reform legislation passed in 2006, most tax filers are required to indicate to revenue officials through their tax filings whether or not they have health insurance coverage. Tax year 2007 was the first year for DOR to enforce the individual mandate through the collection of personal income taxes, for which a new state form, Schedule HC, was developed.

For the first year of implementation, taxpayers overwhelmingly complied with the health insurance tax filing requirement. Only 1.4% of tax filers required to file health insurance information with their tax returns failed to comply.

While 95% of filers have health coverage, just over 2.5 percent (about 86,000 tax filers) indicated they could have afforded coverage but chose not to obtain it, resulting in a loss of their personal exemption (\$219 for an individual).

Slightly less than 2 percent (about 62,000 tax filers) said they could not afford health insurance based on affordability schedules established by the Connector and were not subject to the penalty.

The numbers reported today are based on a review of the data from 86 percent of expected total tax filings for tax year 2007. More than 200,000 taxpayers have filed for extensions and will not have their returns processed until after the October filing deadline. The figures released today do not include children or those who do not file tax returns and is subject to subsequent verification.

Penalties for those who can afford health insurance but choose not to obtain it accrue monthly in 2008, and can tally as much \$912 for a full year without coverage. DOR is currently mailing individuals who lacked health insurance in 2007 but could have afforded coverage to highlight the higher penalties and provide information on opportunities for finding affordable coverage.